

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



December 3, 2012

VIA ECFS

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: California Public Utilities Commission's Ex Parte Letter in Support of Petition for Waiver of the United States Telecom Association, filed November 28, 2012; *In the Matter of Lifeline and Link Up Reform and Modernization; Lifeline and Link Up; Federal-State Joint Board on Universal Service; Advancing Broadband Availability Through Digital Literacy Training (Lifeline Reform Order)*; WC Docket Nos. 03-109, 12-23 and 11-42; CC Docket No. 96-45

Dear Ms. Dortch:

Pursuant to Sections 1.1200 and 1.206 of the Federal Communications Commission's (Commission) rules, the California Public Utilities Commission and the People of the State of California (CPUC or California) submit this ex parte letter in support of the United States Telecom Association's Petition for Waiver (USTelecom Petition for Waiver), filed in the above-captioned dockets on November 28, 2012.¹

In its Petition for Waiver, USTelecom requests a six-month extension of time –December 1, 2012 to June 1, 2013 – for California and six other states² to comply with Sections 54.507(d), 54.410(b)(2)(ii), 54.410(c)(2)(ii), and 54.410(e) of the Federal Communications Commission's (Commission) rules.³ In states where the initial Lifeline

¹ See Petition for Waiver of the United States Telecommunications Association (*USTelecom Petition for Waiver*), *Lifeline and Link Up Reform and Modernization et al*, WC Docket Nos. 11-42, 03-109, 12-23 and CC Docket No. 96-45 (filed November 28, 2012).

² The other six states identified in *USTelecom's Petition for Waiver* are Colorado, Florida, Idaho, Oregon, Utah and Vermont; See *USTelecom's Petition for Waiver* at pp. 4-6;

³ *USTelecom* previously sought an extension of time to comply with these sections on behalf of a number of states, including California. See *USTeleCom's Petition for Waiver*, filed April 25, 2012. California also filed its own Petition for Waiver seeking a permanent waiver of these sections on April 26, 2012. On May 31, 2012, the FCC issued *Waiver Order* and granted *USTeleCom* and *CPUC* a temporary waiver until December 1, 2012. The FCC also denied in part other requests made by these parties. In the *Waiver Order*, the FCC also held that "to the extent that a state obtaining a waiver as set forth in this section

eligibility determinations are made by the state or the state Lifeline administrator, the Commission, pursuant to these rules, requires Eligible Telecommunications Carriers (ETCs) to obtain copies of the certification forms from the state or the state Lifeline administrator for each subscriber before they seek federal reimbursements.

In California, the Lifeline program is administered by a third-party administrator. The Lifeline administrator is responsible for collecting subscriber data and making initial eligibility determinations for all ETCs and their applicants. California currently has over 1.6 million subscribers enrolled in the program and has processed over 150,000 new applications in the last two months alone.

Since the issuance of the Commission's *Waiver Order*, the CPUC has been working diligently to meet the federal certification form mandate. The CPUC has made modifications to our existing document management process, but needs more time to address the technological challenges that have arisen during this process.

The CPUC's Lifeline eligibility process is as follows:

- For each new applicant, the state administrator mails out an application/certification form to the applicant after the state Lifeline administrator receives the necessary subscriber data from the ETC;⁴
- Upon receipt of the application/certification form and supporting documentation from an applicant, the state Lifeline administrator scans these documents as a single and separate electronic (pdf) file for the applicant and stores them in the Lifeline database; each pdf file contains the certification form and supporting documentation for a single applicant;
- The state Lifeline administrator reviews the certification forms and supporting documentations and makes determinations for Lifeline eligibility;
- The state Lifeline administrator provides an electronic notification, promptly after the eligibility determinations are made, to the ETCs of the approved applicants;
- The state Lifeline administrator retains the pdf records of the application/certification forms and supporting documentations for all applicants; and
- The pdf files (containing both certification form and supporting documentation for each subscriber) are made available and provided to the ETCs at anytime upon request.

requires additional time to come into compliance, the stated or ETC operating within that state may file an additional request for relief. *See Waiver Order* at para. 4.

⁴ The CPUC also has an additional (optional) process in place that allows for real-time applications to be delivered to applicants at a point-of-sale.

In order to fulfill the federal mandate, the California administrator has added a procedure to the existing eligibility process described above. The state Lifeline administrator has set up a mechanism that will allow it to provide electronically the pdf files to the ETCs on a weekly basis. However, because an applicant's certification form and the supporting documentation are scanned together and saved as a single pdf file, the state Lifeline administrator is finding it technologically challenging at this time to remove or to separate out the supporting documentations from the certification forms. Accordingly, the CPUC requests additional time to address this problem.

While the CPUC appreciates the Commission's reasons for requiring states to provide copies of the certification forms to the ETCs, the CPUC requests that the Commission reconsider granting a permanent waiver of this obligation for California because our existing process ensures that the ETCs only seek reimbursements for those persons that are eligible to receive the federal subsidy. The CPUC provides eligibility notifications to the ETCs on a timely basis for every subscriber that is approved for the program. The CPUC also provides the ETCs with access to the subscriber data at anytime upon request and is contractually obligated to support audit requests made to the ETCs.

The CPUC estimates that the modifications to our existing process will cost California at least an additional \$4,000 per month. While the CPUC sees little or no added benefit resulting from this procedure to the CPUC, to the subscribers or to the ETCs, it will place additional financial burdens on California ratepayers to fund the program. This cost-benefit analysis underscores the CPUC's request that the Commission reconsider permanent waiver of the certification form requirements for California. In the interim, the CPUC urges the Commission to grant USTelecom's request for an additional six-months as set forth in their Petition for Waiver

Respectfully submitted,

/s/ Sindy J. Yun

Sindy J. Yun
Staff Counsel

cc: Jonathan Lechter – FCC (Jonathan.Lechter@fcc.gov)
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